MONETA PORCUPINE MINES INC.

Consolidated Financial Statements

For the three month period ended March 31, 2020

THESE FINANCIAL STATEMENTS HAVE BEEN PREPARED BY MANAGEMENT AND HAVE NOT BEEN REVIEWED BY THE COMPANY'S AUDITOR

MONETA PORCUPINE MINES INC.

Consolidated Statements of Financial Position

As at	Notes	(Unaudited) March 31 2020 $	(Audited) December 31 2019 $
Current assets			
Cash and equivalents		**2,898,332**	4,715,417
Prepaid expenses		**13,001**	26,256
Receivables		**20,400**	44,567
Sales taxes recoverable		**145,777**	96,757
Interest receivable		**3,488**	7,812
Total current assets		**3,080,998**	4,890,809
Exploration and evaluation assets	**5**	**2,088,363**	2,073,444
Total assets		**5,169,361**	6,964,253
Current liabilities			
Accounts payable and accrued liabilities		**580,026**	735,419
Deferred premium on flow-through shares	**3, 7**	**-**	1,323,296
Total current liabilities		**580,026**	2,058,715
Going concern	**1**		
Contingent liabilities	**9**		
COVID 19 Impact	**12**		
Shareholders' equity			
Capital stock	**6**	**58,342,255**	58,342,255
Contributed surplus		**7,948,148**	7,943,907
Deficit		**(61,701,068)**	(61,380,624)
Total shareholders' equity		**4,589,335**	4,905,538
Total liabilities and shareholders' equity		**5,169,361**	6,964,253

The accompanying notes are an integral part of these consolidated financial statements.

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MONETA PORCUPINE MINES INC.

Consolidated Statements of Changes In Shareholders' Equity

	Notes	Capital Stock Shares	Capital Stock $	Contributed Surplus	Deficit	Shareholders' Equity
Balance as at December 31, 2019		**311,535,482**	**58,342,255**	**7,943,907**	**(61,380,624)**	**4,905,538**
Share based compensation on vested options	**6**			**4,241**		**4,241**
Loss and comprehensive loss					**(320,444)**	**(320,444)**
Balance as at March 31, 2020		**311,535,482**	**58,342,255**	**7,948,148**	**(61,701,068)**	**4,589,335**
Balance as at December 31, 2018		266,830,482	53,786,011	7,668,118	(58,038,796)	3,415,333
Share based compensation on vested options	**6**			41,675		41,675
Loss and comprehensive loss					(147,289)	(147,289)
Balance as at March 31, 2019		266,830,482	53,786,011	7,709,793	(58,186,085)	3,309,719

The accompanying notes are an integral part of these consolidated financial statements.

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MONETA PORCUPINE MINES INC.

Consolidated Statements of Loss, Comprehensive Loss and Deficit

Periods ended March 31,	Notes	Three months 2020 $	Three months 2019 $
Expenses			
Exploration and evaluation expenditures	**5**	**1,525,798**	527,607
Share based compensation	**6, 8**	**4,241**	41,675
Wages and benefits	**8**	**53,369**	53,315
General & administration		**90,727**	75,337
Legal & audit		**8,250**	8,250
		1,682,385	706,184
Other items			
Other income		**(21,826)**	(17,496)
Interest income		**(16,819)**	(8,066)
Loss before income taxes		**1,643,740**	680,622
Deferred taxes	**7**	**(1,323,296)**	(533,333)
Loss and comprehensive loss		**320,444**	147,289
Deficit - beginning of period		**61,380,624**	58,038,796
Deficit - end of period		**61,701,068**	58,186,085
Loss (earnings) per share (basic and diluted)		**$0.00**	$0.00
Weighted average outstanding shares		**311,535,482**	266,830,482

The accompanying notes are an integral part of these consolidated financial statements.

MONETA PORCUPINE MINES INC.

Consolidated Statements of Cash Flows

Three months ended March 31,		**2020**	2019
		$	**$**
Operating activities			
Loss and comprehensive loss		**(320,444)**	(147,289)
Add: non-cash items			
Shared based compensation	**6**	**4,241**	41,675
Deferred premium on flow-through shares	**3, 7**	**(1,323,296)**	(533,333)
Net change in non-cash working capital balances		**(162,667)**	177,090
Cash used in operating activities		**(1,802,166)**	(461,857)
Investing activities			
Exploration and evaluation assets	**5**	**(14,919)**	(22,665)
Cash used in investing activities		**(14,919)**	(22,665)
Net increase (decrease) in cash and equivalents		**(1,817,085)**	(484,522)
Cash and equivalents, beginning of period		**4,715,417**	1,974,176
Cash and equivalents, end of period		**2,898,332**	1,489,654

The accompanying notes are an integral part of these consolidated financial statements.

1. Nature of operations and going concern

Nature of operations

Moneta Porcupine Mines Inc. ("Moneta" or the "Company") is a public company listed on the Toronto Stock Exchange (TSX: ME) (OTC: MPUCF) (XETRA: MOP) and incorporated under the laws of the Province of Ontario on October 14, 1910. Moneta is a mineral resource exploration and development company actively exploring for gold on its land package in the Timmins Camp in Timmins, Ontario (Canada). The Company's registered office is 65 Third Avenue, Timmins, Ontario, P4N 1C2. Moneta, a former gold producer, is currently an exploration stage company and has no properties in current production and no production revenues at the present time.

Going concern

These consolidated financial statements, including comparatives, have been prepared using International Financial Reporting Standards ("IFRS") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future, which is at least, but not limited to, one year from March 31, 2020. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and these consolidated financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statements of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future. The COVID-19 pandemic continues to negatively impacting global financial markets and this may adversely affect the Company's ability to raise capital for future exploration.

2. Basis of Preparation

Statement of Compliance

These consolidated financial statements have been prepared in accordance with IFRS as issued by the International Accounting Standards Board ("IASB"). The Company operates in one segment defined as the cash generating unit which is Canada. The consolidated financial statements were approved by the Board of Directors of the Company on May 11, 2020.

Basis of Measurement

These consolidated financial statements have been prepared under the historical cost convention, except for certain financial instruments measured at fair value, as set out in the accounting policies in note 3.

The preparation of financial statements in accordance with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 4.

3. Significant accounting policies

The principal accounting policies are set out below:

a) Basis of presentation and consolidation

The consolidated financial statements incorporate the financial statements of the Company and its wholly-owned subsidiaries: Wounded Bull Resources Inc. and 508825 Ontario Ltd. The subsidiaries are inactive with limited operations. The financial statements of subsidiaries are prepared for the same reporting periods as the Company, using consistent accounting policies. All intercompany balances and transactions have been eliminated upon consolidation. The Company's presentation currency and functional currency is the Canadian Dollar.

b) Foreign currency translation

Monetary assets and liabilities denominated in a foreign currency are translated to Canadian dollars at exchange rates in effect at the balance sheet date and non-monetary assets and liabilities are translated at rates of exchange in effect when the assets were acquired or obligations incurred. Revenues and expenses are translated at rates in effect at the time of the transactions. Foreign exchange gains and losses are included in the Statements of Loss (Earnings) and Comprehensive Loss (Earnings), except for differences arising on the translation of available for sale equity instruments that are recorded in other accumulated comprehensive income.

The Company translates the assets and liabilities of its wholly-owned subsidiary, Wounded Bull Resources Inc., at the rate of exchange in effect at the reporting date. Income and expenses are translated at the rate of exchange prevailing at the date of the transaction. All resulting exchange differences are recognized in other comprehensive income and accumulated in a cumulative translation reserve under shareholders' equity.

c) Financial instruments

(i) Financial assets

Classification and measurement

The Company's business model and a financial instrument's contractual cash flows determine its classification and measurement in the financial statements. Upon initial recognition, each financial asset will be classified as follows:

Fair value through profit or loss (FVPL);
Amortized cost; or
Fair value through other comprehensive income (FVOCI).

Financial assets classified as amortized cost arise principally from the provision of goods and services to customers, but also incorporate other types of financial assets where the objective is to hold these assets in order to collect contractual cash flows and the contractual cash flows are solely payments of principal and interest. They are initially recognized at fair value plus transaction costs that are directly attributable to their acquisition or issue, and are subsequently carried at amortized cost using the effective interest rate method, less provision for impairment. Cash, receivables, interest receivable, and sales taxes recoverable are classified as amortized cost.

At period end, the Company does not have any financial assets classified as fair value through profit or loss or fair value through other comprehensive income.

Impairment

IFRS 9 requires an expected credit loss ("ECL") impairment model for all financial assets. The ECL model results in an allowance for credit losses being recorded on financial assets regardless of whether there has been an actual impairment.

The ECL model requires the recognition of credit losses based on up to 12 months of expected losses for receivables (Stage 1) and the recognition of lifetime expected losses on receivables that have experienced a significant increase in credit risk since origination (Stage 2), and that is for which there is objective evidence of impairment at the reporting date (Stage 3). As at December 31, 2019, there was no material ECL accrued.

Derecognition of financial assets

Financial assets are derecognized when the contractual rights to receive cash flows from the asset expire.

(ii) Financial liabilities

Classification and measurement

Financial liabilities are classified into one of two categories:

Fair value through profit or loss (FVPL); or
Other financial liabilities.

Other financial liabilities are non-derivative financial liabilities that are not classified as fair value through profit or loss. After initial recognition, such liabilities are measured at amortized cost using the effective interest rate method. Accounts payable and accrued liabilities are classified as other financial liabilities.

The Company does not have any financial liabilities classified as fair value through profit or loss.

Determination of fair value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

The fair value of cash, receivables, interest receivable, and sales taxes recoverable, accounts payable and accrued liabilities all approximate their carrying amounts due to their short term maturities.

d) Cash and equivalents

Cash and equivalents include cash in bank and highly liquid investments which are cashable with an original term to maturity of 90 days or less.

e) Exploration and evaluation assets

Acquisition costs related to exploration properties are capitalized as exploration and evaluation assets at fair value at the time of purchase. The acquisition costs are written off when an exploration and evaluation asset is disposed of through sale or abandonment.

Exploration and evaluation expenditures incurred on exploration properties are expensed until such time that a future economic benefit is more likely to be realized than not by the establishment of ore resources. Exploration and evaluation expenditures incurred subsequent to the establishment of commercially viable and technically feasible gold resources on a property are to be capitalized as Property, Plant and Equipment. Exploration and evaluation assets are not depreciated until the properties are in commercial production.

f) Impairment of long-lived assets

The Company reviews its long-lived assets within its cash generating units, consisting primarily of exploration and evaluation assets, at each reporting period end, for any indicators of impairment whenever events or changes in circumstances indicate that such carrying value may not be recoverable.

To determine whether a long-lived mining asset may be impaired, the recoverable amount is compared to the carrying value of the individual asset. If the carrying amount of an asset exceeds its estimated recoverable amount, the asset is written down and the impairment loss is recognized in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings). Where it is not possible to estimate the recoverable amount of a specific non-financial asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

A previously recognized impairment loss may be reversed only if there has been a change in the estimates used to determine the recoverable amount of the asset since the last impairment loss was recognized. If this is the case, the carrying amount of the asset is increased to its recoverable amount and is recognized in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings). The increased amount cannot exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset.

g) Income taxes

Income taxes are recognized in Loss (Earnings), except where they relate to items recognized in other comprehensive income or directly in capital stock, in which case the related taxes are recognized in Comprehensive Loss (Earnings) or Capital Stock. Deferred income taxes are calculated using the balance sheet liability method for unused tax losses, unused tax credits and temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

Deferred tax assets and liabilities are measured at tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rates enacted or substantively enacted at the Statement of Financial Position date. The effect on deferred income tax assets and liabilities resulting from a change in enacted tax rates is included in income in the period in which the change is enacted or substantively enacted.

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

h) Share capital

Common shares issued by the Company are classified as capital stock. Incremental costs directly attributable to the issue of new common shares, such as share issue costs, are recognized under capital stock as a deduction from the share proceeds.

i) Flow-through shares

Under Canadian income tax legislation, the Company may issue flow through shares whereby the Company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company allocates the proceeds from the issuance between the offering of shares and the sale of tax benefits. The allocation is made based on the difference between the quoted price of the shares and the amount the investor pays for the shares. A temporary non-cash deferred flow through premium 'liability' is recognized on the Statement of Financial Position. The liability is reversed upon renunciation of such qualifying expenditures to the flow through investors and reported as a reduction in deferred tax expense on the Statement of Loss (Earnings) and Comprehensive Loss (Earnings).

j) Share based payments

Stock options

The fair value of stock options granted to directors, officers, and employees is measured at grant date using the Black-Scholes valuation model using assumptions for risk-free interest rates, dividend yield, volatility factors of the expected market price of the Company's common shares, expected forfeitures and expected life of the options. The fair value of these share based payments is recognized as a charge to the Statement of Loss (Earnings) and Comprehensive Loss (Earnings) with a corresponding credit to shareholders' equity on the Statement of Financial Position.

The fair value of stock options, subject to a vesting schedule, is recognized using the accelerated method and is measured using Black Scholes and assumptions at the time of vesting. The applicable fair value of any stock options which are exercised are transferred from contributed surplus to capital stock. Management is required to estimate forfeitures, and revise its estimates of the number of stock options expected to vest each period. The impact of any revisions to management's estimate on forfeitures, if any, is recognized during the period.

Purchase warrants and broker compensation options

Purchase warrants are classified as capital stock and measured at fair value on the date of issue using the Black-Scholes option pricing model. Broker compensation options are classified as issuance costs and a deduction from capital stock and measured at fair value on the date of issue using the Black-Scholes option pricing model. The fair value of the purchase warrants and broker compensation options are not subsequently revalued.

k) Leases

The Company adopted *IFRS 16: Leases* (IFRS 16) which sets out the principles for the recognition, measurement and disclosure of leases and provides guidance on identifying a lease and for separating lease and non-lease components of a contract. The standard introduces a single accounting model for all lessees and requires a lessee to recognize right-of-use assets and lease liabilities for leases with terms of more than twelve-months, unless the underlying asset is of low value. The Company elected not to apply IFRS 16 to its only lease with a term ending within 12 months.

l) Other income recognition

The Company currently has no revenue from active mining operations. Royalty income is recognized in the period in which it is earned in accordance with the terms of the royalty agreement, with collection reasonably assured. Interest revenue is recognized in the period in which it is earned.

m) Other comprehensive loss (earnings)

Other comprehensive loss (earnings) is the change in net assets that results from transactions and events, not included in loss for the period and other than changes in the shareholders' equity. The Company's comprehensive loss (earnings), components of other comprehensive income, and cumulative translation adjustments on foreign currency gains or losses related to foreign operations, are presented in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings) and the Statement of Changes in Shareholders' Equity.

n) Loss (earnings) per share

Basic loss (earnings) per share is computed by dividing net loss (earnings) available to common shareholders by the weighted average number of outstanding common shares for the period. In computing diluted loss (earnings) per share, an adjustment is made for the dilutive effect of the exercise of stock options and warrants. The number of additional shares is calculated by assuming that outstanding stock options and warrants are exercised and that the proceeds from such exercises were used to acquire common shares at the average market price during the reporting periods. In periods where a net loss is reported, all outstanding options and warrants are excluded from the calculation of diluted loss per share, as they are anti-dilutive.

o) Provisions

A provision is recognized when the Company has a present obligation (legal or constructive) as a result of a past event, when it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and when a reliable estimate can be made of the amount of the obligation. If the Company is virtually certain that some or all of a provision will be reimbursed, for example under an insurance contract, such reimbursement is recognized as a separate asset. Provisions may be discounted using a current pre-tax rate that reflects the risks specific to the liability. The expense relating to any provision is presented in the Statement of Loss (Earnings) and Comprehensive Loss (Earnings).

Contingent liabilities are not recognized in the financial statements unless estimable and probable and are disclosed in notes to the financial statements unless their occurrence is remote. By their nature, contingent liabilities will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

4. Key sources of estimation uncertainty and judgement

In the application of the Company's accounting policies described in note 3, management is required to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Estimates and assumptions are reviewed on an ongoing basis and are based on historical experience and other factors considered relevant, including expectations of future events that are believed to be reasonable under the circumstances. Actual results may differ from these estimates.

The following are the areas involving estimates made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements.

a) Share based payments

Management measures the fair value of granted stock options using the Black-Scholes option valuation model. The fair value of stock options using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

b) Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale of the property, or where exploration activities are not adequately advanced to support a gold resource assessment. The determination is an estimation process that requires varying degrees of uncertainty and these estimates directly impact the deferral of exploration and evaluation expenditures.

c) Impairment of long-lived assets

The carrying amounts of exploration and evaluation assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on a property by property basis. The assessment requires the use of estimates and assumptions such as, but not limited to, long-term commodity prices, future capital requirements, resource estimates, and exploration potential. It is possible that the actual fair value could be significantly different from those assumptions, and changes in these assumptions will affect the recoverable amount of the exploration and evaluation assets.

d) Decommissioning and restoration provision

The Company records the fair value of estimated costs of legal and constructive obligations required to restore operating locations in the period in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation, and re-vegetation of affected areas.

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the period in which it is incurred and when a reasonable estimate of fair value can be made. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the cost to expense using a systematic and rational method over its useful life, and records the accretion of the liability as a charge to the Statement of Loss (Earnings), Comprehensive Loss (Earnings).

As the Company has not commenced construction and development of any mining operations, it does not have any provisions for decommissioning or restoration costs.

e) Contingent liabilities

Contingent liabilities are not recognized in the financial statements unless estimable and probable and are disclosed in notes to the financial statements unless their occurrence is remote. By their nature, contingent liabilities will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

5. Exploration and evaluation assets

Acquisition costs	Three months ended March 31, 2020 $	Year ended December 31, 2019 $
Balance, beginning of period	**2,073,444**	2,057,346
Acquisition costs, net	**14,919**	16,098
Balance, end of period	**2,088,363**	2,073,444

Acquisition costs	**December 31, 2019** $	**Additions / (Disposals)** $	**March 31, 2020** $
Golden Highway Project	**1,718,832**	**2,468**	**1,721,300**
North Tisdale	**129,890**	**6,804**	**136,694**
Kayorum	**130,134**	**-**	**130,134**
Nighthawk Lake	**19,624**	**-**	**19,624**
Denton Thorneloe and other	**74,964**	**5,647**	**80,611**
	2,073,444	**14,919**	**2,088,363**

Acquisition costs	December 31, 2018 $	Additions $	December 31, 2019 $
Golden Highway Project (1)	1,700,943	17,889	1,718,832
North Tisdale	107,367	22,523	129,890
Kayorum	126,347	3,787	130,134
Nighthawk Lake	15,861	3,763	19,624
Denton Thorneloe and other (2)	106,828	(31,864)	74,964
	2,057,346	16,098	2,073,444

(1) During the period, the Company issued 80,000 common shares, valued at $0.13 per share, to acquire mineral claims within Garrison Township, adjacent to the flagship Golden Highway Project mineral claims.

(2) During the period, an amount of $40,050 was written off related to a non-core nickel project as the mineral claims were not renewed resulting in the expiry of the property option and return of the claims to the owner.

There were no property disposals and no indications of impairment of exploration and evaluation assets during the three months ended March 31, 2020 (December 31, 2019: $Nil). An amount of $40,050 was written off in 2019 related to a non-core nickel project as the mineral claims were not renewed resulting in the expiry of the property option and return of the claims to the owner. Capitalized acquisition costs were $2,088,363 at March 31, 2020 (December 31, 2019: $2,073,444). Exploration and evaluation expenditures for the three months ended March 31, 2020 of $1,525,798 (Q1 2019: $527,607) were charged to the Statement of Loss and Comprehensive Loss.

6. Capital stock

Authorized share capital

The Company is authorized to issue an unlimited number of Class A Preferred shares, Class B Preferred shares, Common shares, and Non-voting shares. Class A Preferred shares are entitled to preference as to the payment of dividends and distribution of the remaining property of the Company on dissolution over Class B Preferred shares, Common shares and Non-voting shares. Class B Preferred shares are entitled to preference as to the payment of dividends and distribution of the remaining property of the Company on dissolution over Common shares and Non-voting shares. The Non-voting shares shall rank equally with Common shares in all respects except that the holders are not entitled to vote at shareholder meetings.

Capital stock transactions

There were no capital stock transactions during the period other than the issuance, exercise and expiry of stock options, as outlined below.

In Q1 2020, the non-cash deferred premium on flow-through shares 'liability' of $1,323,296 from the July 2019 and September 2019 financings was transferred from the statement of financial position to a deferred tax credit on the consolidated statements of loss (earnings), comprehensive loss (earnings) and deficit when the flow through expenditures were renounced, in the normal course.

In Q1 2019, the non-cash deferred premium on flow-through shares 'liability' of $533,333 from the June 2018 and December 2018 financings was transferred from the statement of financial position to a deferred tax credit on the consolidated statements of loss (earnings), comprehensive loss (earnings) and deficit when the flow through expenditures were renounced, in the normal course.

Stock options

The Company has established a stock option plan whereby the Board of Directors may grant options to directors, officers, employees, and consultants to acquire common shares of the Company. The maximum number of authorized but unissued shares available to be granted shall not exceed 10% of its issued and outstanding common shares. Options granted have a maximum term of five years and vest immediately or over time at the discretion of the Board.

The following table summarizes the outstanding stock options:

	Three months ended March 31, 2020		Year ended December 31, 2019	
	Average Exercise Price	**# Options**	Average Exercise Price	# Options
Outstanding, beginning of period	**$0.18**	**19,775,000**	$0.20	16,600,000
Transactions during the period:				
Granted (1)	**-**	**-**	0.11	4,275,000
Options exercised (2)	**-**	**-**	0.06	(200,000)
Expired (3)	**0.13**	**(200,000)**	0.17	(900,000)
Outstanding, end of period	**$0.18**	**19,575,000**	$0.18	19,775,000
Weighted average remaining contractual life (years)	**1.51**		1.77	
Exercisable, end of period	**$0.18**	**19,537,500**	$0.18	19,306,250

(1) In Q4 2019, the Company granted 2,725,000 stock options to directors, officers and employees at an average exercise price of $0.11. The estimated fair value, with a three year term and immediate vesting, was $127,409 using the Black Scholes valuation model. The weighted average grant date fair value was $0.047 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 1.50%, term: 3 years, expected volatility: 62.5%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

In Q3 2019, the Company granted 550,000 stock options to directors, officers and employees at an average exercise price of $0.13. The estimated fair value, with a three year term and two year and immediate vesting periods, was $30,172 using the Black Scholes valuation model. The weighted average grant date fair value was $0.055 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 1.50%, term: 3 years, expected volatility: 62.0%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

In Q1 2019, the Company granted 1,000,000 stock options to directors, officers and employees at an average exercise price of $0.12. The estimated fair value, with a three year term and immediate vesting, was $58,033 using the Black Scholes valuation model. The weighted average grant date fair value was $0.058 per stock option. The underlying assumptions used in the estimation of the fair values are, as follows: risk free rate: 1.50%, term: 3 years, expected volatility: 62.1%, expected dividend yield: 0.00%, and forfeiture rate: 0.00%.

(2) In Q4 2019, 200,000 stock options were exercised by directors at an average exercise price of $0.06. The initial fair value of $4,787, previously charged to contributed surplus, was transferred to capital stock.

(3) During Q1 2020, 200,000 stock options at an average exercise price of $0.13 expired unexercised. During 2019, 900,000 stock options at an average exercise price of $0.17 expired unexercised.

Warrants

	Exercise Price	Expiry Date	Three months ended March 31, 2020 #	Year ended December 31, 2019 #
Outstanding, beginning of period				
Broker Warrants	$0.16	July 2021	**1,452,273**	-
			1,452,273	-
Issued during the period				
Broker Warrants [1]	$0.16	July 2021	**-**	1,452,273
			-	1,452,273
Outstanding, end of period			**1,452,273**	1,452,273

(1) In July 2019, 1,452,273 broker compensation warrants, exercisable at $0.16 and expiring in July 2021, were issued in connection with the $3,204,546 equity financing completed in the same period.

7. Income taxes

The Company's effective tax rate, which differs from the combined federal and provincial statutory income tax rates for the three months ended March 31, 2020 (26.5%) and 2019 (26.5%), has been reconciled as follows:

	Three months ended March 31, 2020 $	Year ended December 31, 2019 $
Income tax recovery at statutory rates	**435,591**	1,026,918
Increase (decrease) related to:		
Flow-through expenditures	**(404,336)**	(891,829)
Shared based compensation	**(1,124)**	(65,112)
Disposition of exploration and evaluation assets	**-**	(10,613)
Other	**12,687**	46,645
	42,818	106,009
Valuation allowance	**(42,818)**	(106,009)
Deferred premium on flow through shares	**(1,323,296)**	(533,333)
Deferred tax (recovery)	**(1,323,296)**	(533,333)

The Company's deferred tax assets and liabilities are comprised of the following:

	Three months ended March 31, 2020 $	Year ended December 31, 2019 $
Deferred tax assets:		
Net operating loss carry forwards	**2,250,000**	2,250,000
Net capital loss carry forwards	**527,000**	527,000
Resource deductions	**3,569,000**	3,894,000
Other	**174,000**	187,000
	6,520,000	6,858,000
Less: Valuation allowance	**(6,520,000)**	(6,858,000)
	-	-

The Company has recorded a valuation allowance as the Company does not consider it more likely than not that the deferred tax assets will be realized in the foreseeable future.

The Company has non-capital losses of $8,492,000 (2019: $8,492,000) available for deduction against future taxable income, the balances of which will expire as follows:

Year ended December 31, Year of expiry	2019 $	2018 $
2026	**307,000**	307,000
2027	**317,000**	317,000
2028	**652,000**	652,000
2029	**618,000**	618,000
2030	**745,000**	745,000
2031	**940,000**	940,000
2032	**1,289,000**	1,289,000
2033	**759,000**	759,000
2034	**576,000**	576,000
2035	**453,000**	453,000
2036	**527,000**	527,000
2037	**438,000**	438,000
2038	**471,000**	578,000
2039	**400,000**	-
	8,492,000	8,199,000

The potential tax benefit of the above losses has not been recognized in these financial statements. The Company has $3,977,358 (2019: $3,977,358) in capital losses available to apply against future capital gains.

8. Related party transactions

The Company paid a salary of $50,000 in Q1 2020 (Q1 2019: $50,000) to an officer and director for CEO and Chief Geologist services provided to the Company under an ongoing employment agreement. The Company paid a salary of $50,000 in Q1 2020 (Q1 2019: $50,000) to an officer and director for President and CFO and other services provided to the Company under an ongoing employment agreement.

There were no cash director fees during the period (Q1 2019: $NIL). There were no loans to directors or officers during the period (Q1 2019: $NIL). All related party transactions were completed in the normal course of business.

9. Contingent liabilities

Civil lawsuits
Two parties that own the surface rights and previously occupied and now condemned buildings, on the historic Moneta Mine site located on the Company's Kayorum project, initiated civil suits in the Ontario Superior Court of Justice in April 2005 against the Company, directors of the Company at that time, and other third parties. The suits are related to the 2004 subsidence of the main stope at the historic Moneta Mine.

In 2018, one of the two civil suits was dismissed, without costs, at the request of plaintiff's counsel.

The Company believes the one remaining claim has no merit and intends to defend it vigorously. Accordingly, no provision has been made in these financial statements.

10. Capital management

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the three months ended March 31, 2020.

As at March 31, 2020, the Company had a net working capital of $2,500,972 (December 31, 2019: $4,155,390), excluding the non-cash deferred premium on flow through share liability of $Nil (December 31, 2019: $1,323,296). The Company held cash in bank at March 31, 2020 of $2,898,332 (December 31, 2019: $4,715,417).

The Company's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate.

The Company manages capital in proportion to risk and manages the exploration and evaluation assets and capital structure based on economic conditions and prevailing gold commodity pricing and trends. The Company relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments.

11. Financial instruments and risk management

The Company's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the Company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's financial position from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through identifying risk appropriately, aligning risk with overall exploration and development strategy, diversifying risk, mitigation through preventive controls, and transferring risk to third parties.

Fair value

The carrying values for primary financial instruments, including cash and equivalents, receivables, sales taxes recoverable, interest receivable, and accounts payable and accrued liabilities approximate fair values due to their short-term maturities. The Company's exposure to potential loss from financial instruments relates primarily to its cash and equivalents held with Canadian financial institutions. There have been no major or significant changes that have had an impact on the overall risk assessment of the Company during the period. The objectives and strategy for the exploration and evaluation asset portfolio remains unchanged.

The Company's exploration and development activities expose it to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The Company's exposure to credit risk is concentrated in four specific areas: the credit risk on operating balances including sales taxes recoverable, royalty income and other receivables, interest receivable on short term deposits, and cash and equivalents held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets. No provision against these credit risk areas has been recognized in these financial statements.

The aggregate gross credit risk exposure at March 31, 2020 was $3,067,997 (December 31, 2019: $4,864,553), and was comprised of $2,898,332 (December 31, 2019: $4,715,417) in cash held with Canadian financial institutions with an "AA-" credit rating, $20,400 (December 31, 2019: $44,567) in receivables, $145,777 (December 31, 2019: $96,757) in sales taxes recoverable, and $3,488 (December 31, 2019: $7,812) in interest receivable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States ("US") dollars. The Company has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Commodity price risk

Commodity prices, and in particular gold spot prices, fluctuate and are affected by factors outside of the Company's control. This risk is not applicable as the Company is not currently in commercial gold production. The current and expected future spot prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and working capital obligations as they become due. To manage cash flow requirements, the Company maintains principally all its assets in cash and equivalents.

12. COVID-19 Impact

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. COVID 19 has now spread across the globe and is impacting worldwide economic activity.

The extent to which the COVID 19 may impact the Company's ability to refinance and continued exploration activities will depend on future developments including the duration of the outbreak and associated restrictions. These developments could potentially impact when drilling contractors can be mobilized and operational activities return to some degree of normalcy.

The Company introduced a number of measures in March 2020 to protect employees and contractors, their families and the Timmins community. The health and well-being of the Company's people is Moneta's top priority. Among these measures, the Company took immediate steps to cease all non-essential work including exploration drilling. The number of people working at the Company's corporate office and core farm locations in Timmins, Ontario was reduced. In addition to employee layoffs given the drop in operating activity, the Company introduced staff rotation to facilitate physical distancing, required employees and contractors to work remotely where possible, increased the reliance on technology to host online meetings, cancelled all external visits, and ceased all executive travel between Timmins and Toronto.

Remaining employees and contractors continue to process all of the drill core received from the drill program albeit at a slower pace. Mine planning and engineering studies continue in order to finalize the planned Preliminary Economic Assessment on the South West deposit.

All senior management and the operating team voluntarily agreed to reductions in pay of up to 25% in order to preserve the Company's cash and working capital position.

As of the filing date of these interim financial statements for the three months ended March 31, 2020, there were no identified indicators of impairment as a result of COVID-19 and, consequently, no adjustments have been made to these interim financial statements.

moneta
porcupine

MONETA PORCUPINE MINES INC.

Management Discussion and Analysis

For the three months ended March 31, 2020

This Management Discussion and Analysis ("**MD&A**") provides a discussion and analysis of the financial condition and results of operations of Moneta Porcupine Mines Inc. ("**Moneta**" or the "**Company**") to enable a reader to assess material changes in the financial condition and results of operations of the Company as at and for the three months ended March 31, 2020 and should be read in conjunction with the audited consolidated financial statements and notes thereto for the three months ended March 31, 2020. All amounts included in this MD&A are in Canadian Dollars.

The interim consolidated financial statements have been prepared in accordance with International Accounting Standard 34, Interim Financial Reporting ("IAS 34"), and follow the same accounting policies and methods of application as the annual consolidated financial statements of the Company for the year ended December 31, 2019, except as noted below under changes in accounting policies. The interim consolidated financial statements should be read in conjunction with the 2019 annual consolidated financial statements and the notes thereto. The Company operates in one segment defined as the cash generating unit which is Canada. This MD&A has an effective date of May 11, 2020, the date this MD&A was reviewed by the Audit Committee and approved by the Board of Directors.

Additional information related to the Company is available in Moneta's Annual Information Form dated March 30, 2020 for the year ended December 31, 2019 ("**AIF**"). The AIF and other continuous disclosure documents, including the Company's press releases and quarterly reports are available through its filings with the securities regulatory authorities in Canada at www.sedar.com and the Company's website at www.monetaporcupine.com.

The MD&A is presented in the following sections:

FORWARD-LOOKING/SAFE HARBOUR STATEMENT AND FAIR DISCLOSURE STATEMENT

This MD&A may contain certain forward looking statements concerning the future performance of Moneta's business, its operations and its financial performance and condition, as well as management's objectives, strategies, beliefs and intentions. These forward-looking statements are based on information currently available to the Company and the Company provides no assurance that actual results will meet management's expectations. Forward-looking statements include estimates and statements that describe the Company's future plans, objectives or goals, its ability to access capital, the speculative nature of mineral exploration and development, fluctuating commodity prices, competitive risks and reliance on key personnel, and include words to the effect that the Company or management expects a stated condition or result to occur. This list is not exhaustive of the factors that may affect any of the Company's forward-looking statements. Statements relating to estimates of reserves and resources are also forward-looking statements as they involve risks and assumptions, including but not limited to assumptions with respect to future commodity prices and production economics, that the reserves and resources described exist in the quantities and grades estimated and are capable of economic extraction. Forward-looking statements may be identified by such terms as "believes", "anticipates", "expects", "estimates", "may", "could", "would", "will", or "plan". All forward-looking information is inherently uncertain and subject to risks, uncertainties, and a variety of assumptions to address future events and conditions. These and other factors should be considered carefully and readers should not place undue reliance on the Company's forward-looking statements. The Company does not undertake to update any forward-looking statement that may be made from time to time by the Company or on its behalf, except in accordance with applicable securities laws.

OUTLOOK

Moneta completed the 2019/2020 winter drill program during the quarter, consisting of 36 drill holes for 18,159.0 m of drilling. The results of 19 drill holes for 9,654.00 m of drilling have been reported to date, and a further 17 holes for 8,505.0 m are pending processing and assaying over the coming months. Results will be released as they become available. The drill program was focussed on testing the expansion of resources on the Windjammer South, 55 and West Block deposits, as well as targeting the new Westaway, Southern BIF and Halfway target areas. The drill program at Westaway was expanded due to the ongoing success of the program at expanding the gold mineralized veining. It is considered that enough drilling has now been conducted to support an initial resource estimate. The results of the drill program will be used to support updated and expanded resource estimates on the 55 and Windjammer South deposit as well as an initial resource at Westaway.

The mineral resource estimate of the Golden Highway Project was updated by Micon International Ltd “Micon” on November 28, 2019 and increased the total resource to 556,500 indicated ounces gold “Au” contained within 3.82 Mt @ 4.53 g/t and a total of 1,174,000 inferred ounces gold contained within 8.47 Mt @ 4.31 g/t Au at a 3.00 g/t Au cut-off using a US$1,250/oz gold price, assuming underground extraction. During the quarter Micon commenced a preliminary economic study on the South West deposit. The South West deposit currently contains an indicated resource of 3.24 Mt @ 4.53 g/t Au for 472,000 ounces of contained gold and an inferred resource of 7.30 Mt @ 4.37 g/t Au for 1,056,500 ounces of contained gold, at a cut-off of 3.00 g/t Au assuming underground extraction. The PEA study will continue over the next quarter and is due to be completed in the second half of the year.

With the planned completion of the PEA in the second half of the year and the updating of the geological models at 55, Windjammer South and Westaway based on the 2019/2020 drill program, Moneta will compile plans for follow-up drilling in the second half of the year. Drill plans will consider pre-feasibility infill drilling at South West, further resource expansion drilling at Discovery and Windjammer North and follow-up initial resource definition drilling of areas of known gold mineralization located at Halfway, Dyment, Western Zone and the Southern BIF target. The program could consist of up to 10,000m. Moneta is fully funded to complete the planned 2020 efforts.

With the outbreak of the novel COVID-19 pandemic, Moneta has continued to monitor and follow all guidance from the relevant authorities. The safety and health of our employees is paramount and the appropriate steps have been taken to ensure the safe isolation of employees. The resulting cut-back in activities could potentially result in the delay in delivery of projects. Moneta will continue to monitor the situation and take the necessary steps as required.

CORPORATE OVERVIEW

Moneta Porcupine Mines Inc. (“**Moneta**” or the “**Company**”) is a mineral resource exploration and development company incorporated pursuant to the laws of the Province of Ontario on October 14, 1910. The Company is a former gold producer but has no properties currently in production and no production revenues at the present time.

Moneta is a “reporting issuer” in the Canadian provinces of Ontario, Alberta and Quebec. The Company’s common shares trade on the Toronto Stock Exchange (“**TSX**”) under the symbol ME, on the United States OTC market under the symbol MPUCF, and the Berlin Stock Exchange, the Xetra, and Frankfurt Stock Exchange under the symbol MOP.

Moneta has interests in 967 single and 326 boundary cell claims for a total area of approximately 61,760 hectares in the form of mining patents, leases and staked claims. Most of the Company’s landholdings are not subject to any royalty or encumbrances other than minor royalties to third parties on a limited number of claims primarily outside the Golden Highway Project resource and distal to target areas.

Moneta holds a 100% interest in 6 core gold projects and a 50% JV with Kirkland Lake Gold strategically located on or along the Destor Porcupine Fault Zone corridor ("Destor"), one of the key mineralized structures in the Abitibi Greenstone belt in Ontario, with excellent infrastructure including access roads, water, electricity, and mills. Most gold mineralization in the region is associated with the Destor, including significant resources and producing mines now operated by Porcupine Gold Mines (Newmont-Goldcorp Corporation) and several others such as Pan American Silver Corporation (formerly Tahoe Resources), McEwen Mining, and Kirkland Lake Gold. The Golden Highway Camp has experienced rapid advancement of gold resources by Moneta and others including O3 Mining (Formerly Osisko Mining), reflecting the strong regional gold potential.

The Porcupine Camp and Golden Highway Camp (here collectively referred to as "**Timmins Camp**") is the most prolific gold producing belt in Canada and is one of the most prolific gold-producing areas in the world with over 80 million ounces of gold produced to date, including that from some 26 mines, each of which generated more than 100,000 ounces.

Moneta's land position for gold exploration is one of the largest in the Timmins Camp including a commanding position in the emerging Golden Highway Camp as well as an established position in the Porcupine Camp, with a current significant underground 43-101 mineral resource estimate dated 26 November 2019 comprised of 556,500 ounces gold contained within 3.82 Mt @ 4.53 g/t Au in the indicated category and a total of 1,174,000 ounces gold contained within 8.47 Mt @ 4.31 g/t Au in the inferred category at a 3.00 g/t Au cut-off (*See Micon International Ltd, NI43-101 report dated 28 February 2019*) established in the Golden Highway Project area.

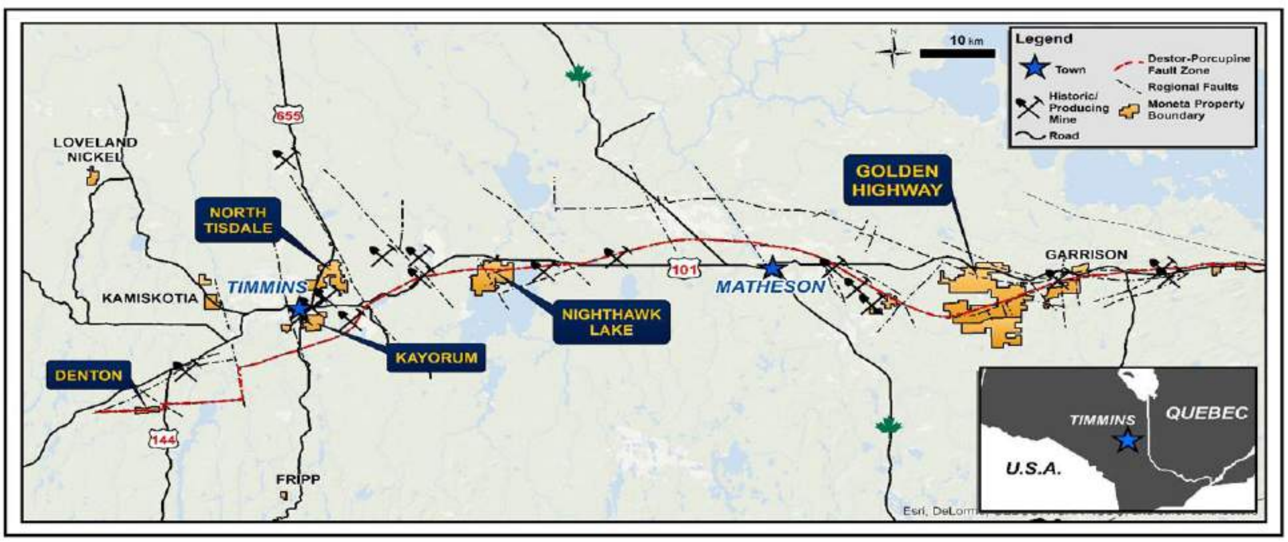

Figure I: Moneta's Key Gold Exploration Properties

Moneta's recent primary gold exploration and resource development focus has been the *Golden Highway Project* centred in Michaud Township 100 km east of Timmins, Ontario along Highway 101, a major all-season route. Moneta has a largely contiguous land package of 740 single and boundary mining cell claims (post 2018 MNDM update) or approximately 10,680 hectares with an updated NI 43-101 mineral resource estimate (November 2019) containing 0.56 million ounces of gold in the indicated category and 1.17 million ounces of gold in the inferred category.

The Golden Highway Project captures 12 kms of the Destor Porcupine Fault Zone Corridor ("Destor"). The project currently hosts a NI 43-101 resource, spanning only 4km of the corridor and found primarily within sedimentary host rocks along a southern splay of the Destor. Resource growth potential exists along the remaining 8 km of largely sediment hosted mineralization along the regional BIF contact and within untested mafic volcanic rocks along the Destor in contact with ultramafic units, where limited historical drilling has already confirmed gold mineralization. The main unconformity which occurs as the mafic volcanic-sediment contact also remains largely untested. Moneta also has a 50% stake in the Garrison JV with Kirkland Lake Gold in the Golden Highway Camp.

Moneta continues to maintain a large land holding in *Porcupine Gold Camp* which includes the gold properties of North Tisdale, Nighthawk Lake, Kayorum, DeSantis East (Ogden) and Denton. Additional properties with strategic value are historical base metal projects and include Loveland Nickel (Ni), Kamiskotia (Cu/Zn), and Fripp (Cu).

OVERALL PERFORMANCE

GOLDEN HIGHWAY CAMP

Summary

In November 2019, Moneta updated the mineral resource estimate on the South West deposit *(Press release ME-PR-18-2019 dated 26 November 2019)*. The updated underground mineral resource estimate for the Golden Highway project increased to 556,500 ounces gold contained within 3.82 Mt @ 4.53 g/t Au in the indicated category and a total of 1,174,000 ounces gold contained within 8.47 Mt @ 4.31 g/t Au in the inferred category at a 3.00 g/t Au cut-off using a US$1,250/oz gold price *(Micon International Ltd, NI43-101 report dated 28 February 2019)*. During the quarter Moneta commissioned Micon International Ltd to conduct a preliminary economic assessment ("PEA") study on the South West deposit located within the Golden Highway Project area. The PEA study is due to be completed during the 2020 year. The new mineral resource at South West resulted in an indicated resource of 472,000 oz and an inferred resource of 1,056,500 oz, with no decrease in over-all grade.

During the past quarter Moneta completed drill testing the resource expansion potential at Windjammer South, 55 and West Block areas. Moneta also expanded the drill program at Westaway due to the ongoing positive results from drilling the extensions to gold mineralized veins discovered at Westaway. The Westaway drilling should be sufficient to support an initial resource estimate on the new discovery. The drill program also tested the new Halfway and Southern BIF targets. The total program consisted of 36 holes for 18,159.00 m.

The winter 2019/2020 drill program was completed during the quarter and successfully tested the Windjammer South, 55 and West Block Deposit expansion potential as well as successfully discovered the occurrence of gold mineralization at the Westaway, Southern BIF and Halfway Target areas. All assay results are pending for the 55 deposit and Southern BIF target. A total of 36 drill holes for 18,159 m of drilling was completed on the program. The results of 19 holes for 9,654 m of drilling have been received and released to date, including 5 holes for 2,317 m this quarter from the Westaway target. The results of the remaining 17 holes for 8,505.0 m of drilling will be released once results are received. Details of the results received during the quarter are presented in the relevant deposit and target sections.

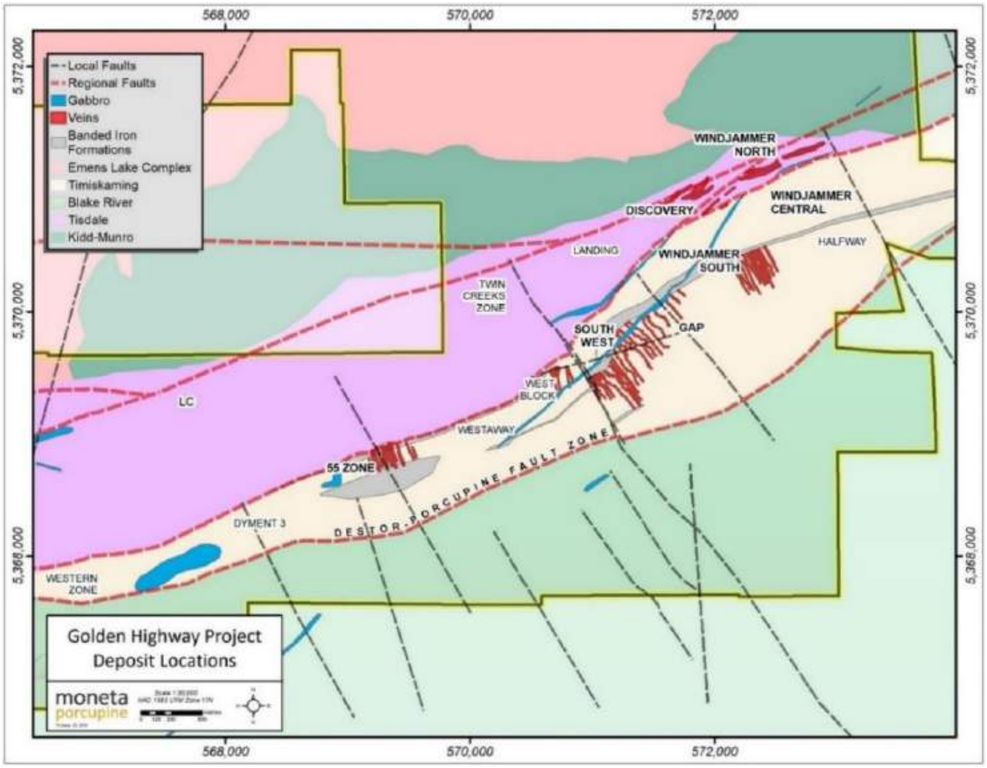

Figure 2: Golden Highway Project; Deposit Areas

South West Deposit

During the past quarter Moneta commissioned Micon International Ltd of Toronto, Canada to conduct a preliminary economic assessment ("PEA") on the South West deposit from the Golden Highway project. The South West deposit currently contains an indicated resource of 3.24 Mt @ 4.53 g/t Au for 0.47Moz of contained gold and an inferred resource of 7.30 Mt @ 4.37 g/t Au for 1.03Moz of contained gold, at a cut-off of 3.00 g/t Au assuming underground extraction *(Press release ME-PR-18-2019 dated 26 November 2019*).

The PEA will study and evaluate the best possible mining methods, mine plans, development plans, processing, rehabilitation, capital cost requirements and extraction plans. The study will evaluate various trade-off studies regarding owner verses contract mining, the acquisition or leasing of equipment and toll treatment of ore verses building a stand-alone processing plant. The study will also review various gold price scenarios and exchange rates. The PEA is scheduled to be completed in the second half of the current year.

Windjammer South Deposit

A total of 4 drill holes for 2,115.0 m of drilling was completed during the quarter testing the extensions of the Windjammer South deposit. The program was designed to drill the extensions of both the steep and relatively flat sets of extensional veins which make up the bulk of the main mineralizing event at Windjammer South. The drilling completed to date has extended mineralization up to 400 m to the west and 150 m to the east of previously defined mineralization. The drilling has also extended mineralized veins over 400 m to the south, although the tenor of gold decreases to the south. Drilling has confirmed the occurrence of up to 17 mineralized shallow dipping gold zones (D Zone to T Zone), up to 39.4 m thick individually and with a combined mineralized thickness of up to 198 m in all zones. The results of the drilling were still pending and will be released once received.

The Windjammer South deposit is located within a similar geological setting as the South West deposit located 1,400 m to the southwest (Figure 3). Gold mineralization is seen to occur as a series of mineralized vein structures which occur adjacent to the regional Timiskaming age banded iron formation "A" unit ("BIF-A") and dominantly hosted within an overlying coarse grain sandstone. The mineralized quartz-pyrite veins occur as extensional vein structures associated with ankerite-sericite-silica-pyrite alteration haloes. The zones occur as both steeply west dipping NNW-SSE oriented mineralized zones and as lower grade wider shallowly south-west dipping zones. A significant amount of historical drilling has defined the mineralized zones.

Westaway Target

During the quarter a total of 5 drill holes for 2,317 m of drilling was completed on the Westaway target area as part of the expanded drill program at Westaway due to the ongoing success of the drilling at intersecting extensions of the gold mineralized veins. The drill program confirmed 13 new gold mineralized structures on the drill program completed to date. Drilling at Westaway (Figure 3) was designed to confirm the newly recognized mineralization potential intersected in historical drilling, which had intersected up to 6.30 m @ 5.80 g/t Au, including 1.50 m @ 10.42 g/t Au in hole MN-96-178 (see press release ME PR 18-2018, dated December 05, 2018).

The new Westaway target is located within a similar geological setting as the South West deposit located over 1.0 km to the east. Gold mineralization is seen to occur as a series of mineralized vein structures which occur adjacent to the banded iron formation "A" unit ("BIF-A") and hosted within an overlying coarse grain sandstone. The mineralized quartz-pyrite veins occur as extensional vein structures associated with ankerite-sericite-silica-pyrite alteration haloes. The zones are steeply west dipping NNW-SSE oriented mineralized structures, the same as the main mineralization at South West. Drilling to date has confirmed the veins over a strike length of 450 m, widths averaging over 3.00 m and have been tested to depths of 600 m. Historical drill holes also intersected and confirmed the location of the veins (Figure 4).

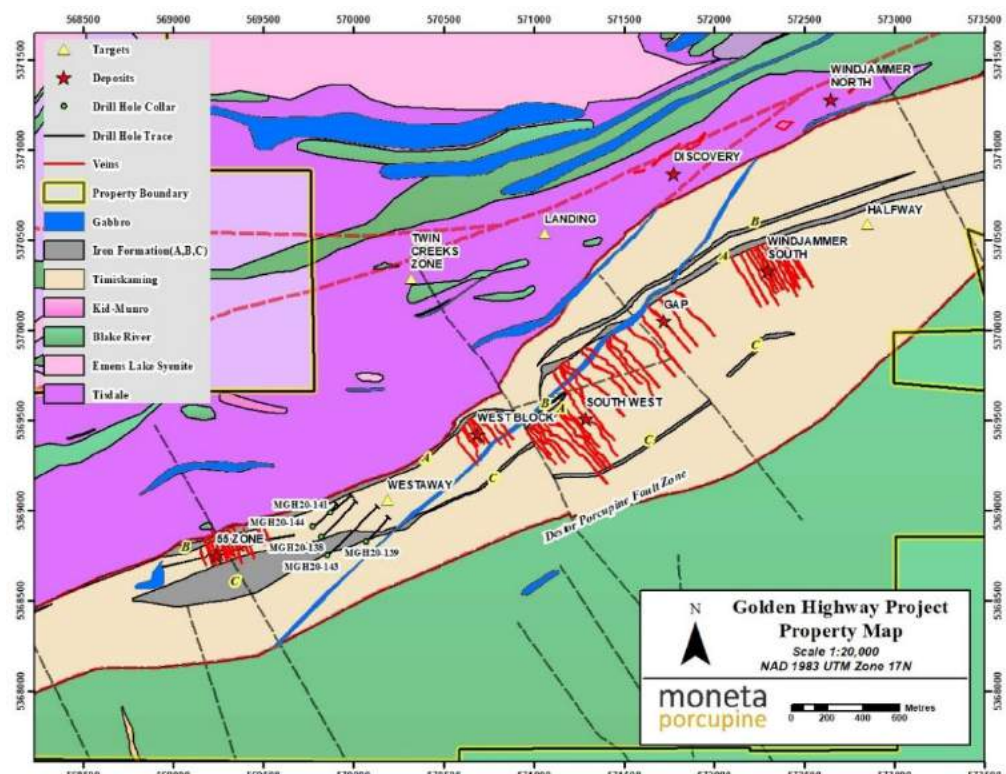

Figure 3: Westaway: Drill Locations, Q1 2020

Table 1: Westaway: Select Significant Assays, Q1 2020

Hole	From	To	Length	Au	Vein
(#)	(m)	(m)	(m)	(g/t)	(Name)
MGH20-138	229.00	231.00	2.00	1.83*	WA-13
includes	229.00	230.00	1.00	3.65	WA-13
MGH20-138	250.99	259.22	8.23	1.59*	WA-12
includes	257.00	258.00	1.00	5.18	WA-12
MGH20-138	292.62	294.20	1.58	2.44	WA-11
includes	292.99	293.36	0.37	7.28	WA-11
MGH20-139	326.00	327.00	1.00	3.40	New
MGH20-139	348.40	353.20	4.80	1.82*	WA-6
includes	348.40	349.30	0.90	3.61	WA-6
MGH20-139	367.30	372.22	4.92	1.77*	WA-5
includes	370.30	371.30	1.00	3.03	WA-5
MGH20-141	192.00	194.75	2.75	3.42	WA-10
includes	192.00	194.00	2.00	3.78	WA-10
includes	192.00	193.00	1.00	4.11	WA-10
MGH20-143	204.90	206.80	1.90	9.73	WA-13
includes	205.90	206.80	0.90	18.90	WA-13
MGH20-143	308.40	310.00	1.60	2.76	WA-12
includes	308.40	309.20	0.80	5.16	WA-12
MGH20-143	428.30	432.50	4.20	4.49	WA-9
includes	430.00	432.50	2.50	5.76	WA-9
includes	430.00	431.00	1.00	7.25	WA-9
MGH20-143	475.00	478.00	3.00	3.72	WA-8
includes	475.00	477.00	2.00	4.60	WA-8
includes	476.00	477.00	1.00	5.83	WA-8

Intercepts are calculated using a 2.0 g/t Au cut-off unless noted (*), a maximum of 2m internal dilution and no top cap applied. All intercepts are reported as drill widths and estimated to be 75% to 95% of true width.

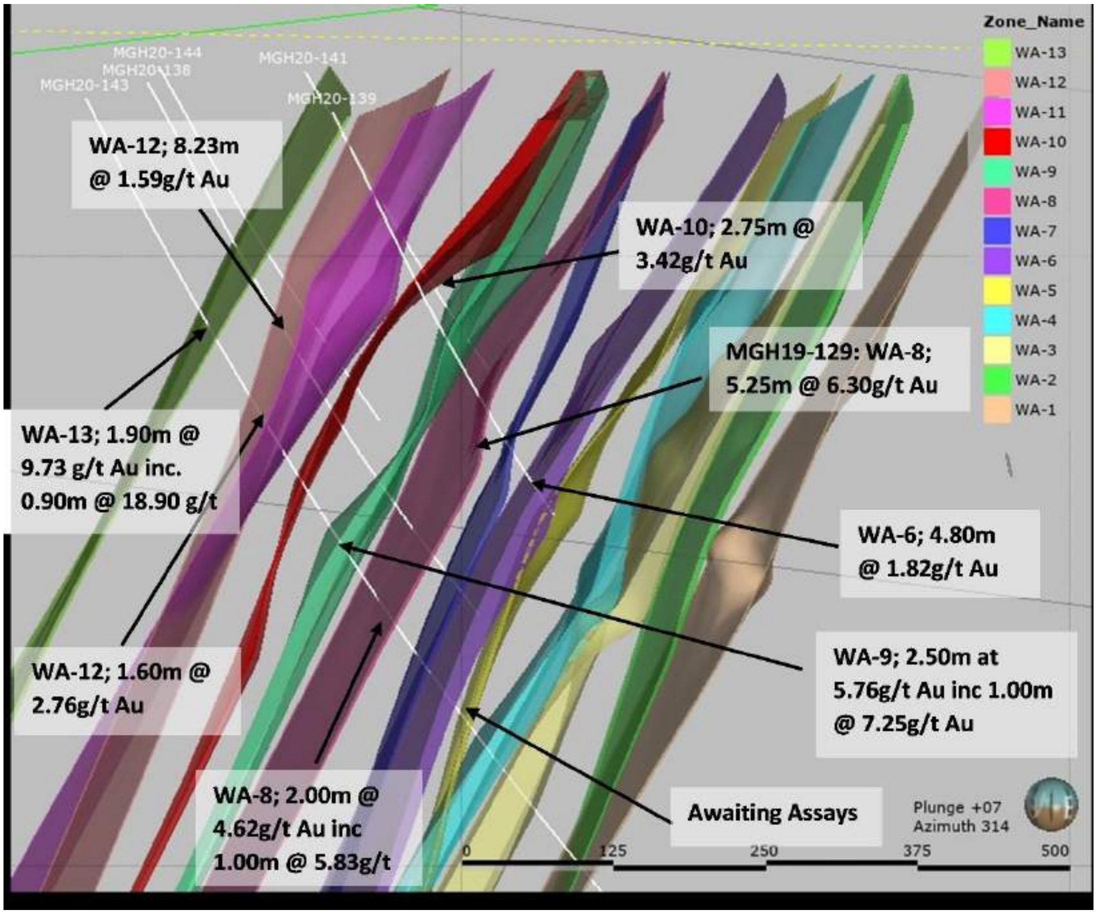

Figure 4: Westaway: 3-D view of veins (looking north), Q1 2020 select assay results

<u>Golden Highway Resource</u>

Micon International Limited (Micon) undertook an independent technical review of the mineral exploration completed on the Golden Highway Project by Moneta and prepared a mineral resource estimate for several of the deposits located on the property in January 2019 and detailed in an updated NI 43-101 technical report dated 29 February 2019. In November 2019 Micon updated the mineral resource estimate for the South West Deposit portion of the Golden Highway Project (Press release ME-PR-18-2019 dated 26 November 2019).

Since the completion of a 2012 mineral resource estimate and Preliminary Economic Assessment, which examined the possibility of low-grade open pit bulk mining scenario at the project (Puritch et al., 2012), approximately 120,000 m of additional drilling on several targets had been performed by Moneta. This drilling and its results are described in the updated February 2019 43-101 report, the November 2019 press release and incorporated into a new geological interpretation and mineral resource estimate which anticipates higher-grade underground mining at a cut-off grade of 3.0 g/t Au using US$1,250/oz Gold.

Table 2: Updated Golden Highway Mineral Resource Estimate – November 2019 (Micon International)

Deposit	Indicated			Inferred		
Name	Tonnes (t)	Grade (g/t)	Ounces Au (oz)	Tonnes (t)	Grade (g/t)	Ounces Au (oz)
South West	3,239,000	4.53	472,000	7,300,000	4.37	1,025,300
West Block	-	-	-	301,000	3.23	31,200
Windjammer South	364,000	4.19	49,100	173,000	4.59	25,500
"55"	216,000	5.11	35,400	327,000	4.31	45,300
Discovery	-	-	-	108,000	4.12	14,300
Windjammer North	-	-	-	265,000	3.80	32,400
Total	**3,819,000**	**4.53**	**556,500**	**8,474,000**	**4.31**	**1,174,000**

Notes:

1. Mineral Resource Estimates are reported at a cut-off grade of 3.00 g/t Au for an underground mining scenario. The cut-off grade was determined at a gold price of US$1,250 per ounce and an exchange rate of USD$/CDN$ of 0.75.
2. The resource estimate is supported by statistical analysis with different high-grade capping applied to each of the deposits ranging from 6.0 g/t Au to 37.0 g/t Au on one (1) metre composites.
3. The mineral resources presented here were estimated with a block size of 5mx5mx10m utilizing sub-blocks as required and constrained within geological wire-frames with a minimum width of 1.50m. The cells are estimated by Ordinary Kriging using the appropriate variogram model of each structure with individual search ellipsoids generally varying from 60x60x20m to 100x100x20m within each structure. The search ellipse was constrained to selecting composites flagged to each vein.
4. The mineral resources presented here were estimated by Micon International using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM) standards on Mineral Resources and Reserves definitions and guidelines.
5. Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, market or other relevant issues.
6. Indicated Mineral resources were determined using a 60 m search ellipse and a minimum of four drill holes, in addition to a digitized selection polygon outlining areas of contiguous 60 metre drill spacing along strike and down dip.
7. The quantity and grade of reported Inferred Resources are uncertain in nature and there has not been sufficient work to define these Inferred Resources as Indicated or Measured Resources.
8. There are no historical underground voids from mining including shafts, ramps or drifts in any of the deposit areas.
9. Tonnage estimates are based on bulk densities individually measured and calculated for each of the deposit areas, averaging 2.78 tonnes per cubic metre for the total resource. Resources are presented as undiluted and in situ.
10. This mineral resource estimate is dated November 15, 2019. The effective date for the drill-hole database used to produce this updated mineral resource estimate is October 14, 2019. Tonnages and ounces in the tables are rounded to the nearest thousand and hundred respectively. Numbers may not total due to rounding.
11. No updated NI 43-101 report is to be produced as no category of resource has changed by more than 100%.
12. Additional details are provided in the latest 43-101 technical report dated 28 February 2019.

PORCUPINE AND NIGHTHAWK LAKE CAMPS

No exploration work was conducted on the Kayorum, North Tisdale, Nighthawk Lake, DeSantis East and Denton gold projects during the past quarter.

FINANCIAL REVIEW

The consolidated financial statements, including comparatives, have been prepared using International Financial Reporting Standards ("**IFRS**") applicable to a going concern, which assumes continuity of operations and realization of assets and settlement of liabilities in the normal course of business for the foreseeable future. The Company is subject to risks and challenges similar to companies in a comparable stage of exploration and development. As a result of these risks, there is significant doubt as to the appropriateness of the going concern assumption. There is no assurance that the Company's funding initiatives will continue to be successful and the Company's financial statements do not reflect the adjustments to the carrying values of assets and liabilities and the reported expenses and statement of financial position classifications that would be necessary if the going concern assumption was inappropriate. These adjustments could be material. The Company will have to raise additional funds to advance its exploration and development efforts and, while it has been successful in doing so in the past, there can be no assurance that it will be able to do so in the future.

This section discusses significant changes in the Consolidated Statements of Financial Position, Statements of Changes in Shareholders' Equity, Statements of Loss, Comprehensive Loss and Deficit, and Statements of Cash Flows for the three months ended March 31, 2020.

SUMMARY OF QUARTERLY RESULTS

The following table summarizes the Company's key consolidated financial information for the last eight quarters:

Highlights	**2020**	2019				2018		
($ except per share data)	**Mar 31**	Dec 31	Sep 30	Jun 30	Mar 31	Dec 31	Sep 30	Jun 30
Revenue	-	-	-	-	-	- -		-
Loss (earnings) and comprehensive loss (earnings)	320,444	1,352,197	692,477	147,289	1,149,865	849,797	795,685	1,549,381
Loss (earnings) per share	$0.00	$0.00	$0.00	$0.00	$0.00	$0.01	$0.00	$0.01

SIGNIFICANT EVENTS DURING Q1 2020

In Q1 2020, the non-cash deferred premium on flow-through shares 'liability' of $1,323,296 from the July 2019 and September 2019 financings was transferred from the statement of financial position to a deferred tax credit on the consolidated statements of loss and comprehensive loss and deficit upon renunciation of the flow through expenditures.

CONSOLIDATED OPERATING RESULTS

This section should be read in conjunction with the Consolidated Statements of Loss (Earnings), Comprehensive Loss (Earnings) and Deficit for the three months ended March 31, 2020 and the corresponding notes thereto. All references to "Q1 2020" or "Q1 2019" relate to the three months ended March 31 of those years unless stated otherwise. Moneta has not generated any material operating revenues as it is in the exploration and development stage and, therefore, operating losses are anticipated to continue in the future.

Moneta reported a loss and comprehensive loss of $320,444 in Q1 2020 as compared to $147,289 in Q1 2019. The variation primarily relates to a decrease in exploration and evaluation expenditures of approximately $1 million quarter over quarter, offset by the net variance in the deferred tax credit in Q1 2020 of $1,323,296 transferred from the deferred premium on flow-through shares on the July and September 2019 equity financings, net of the deferred tax credit in Q1 2019 of $533,333 on the September and December 2018 equity financings.

Exploration and evaluation expenditures were $1,525,798 in Q1 2020 and relate to exploration activities on the *Golden Highway* project, as compared to $527,607 in Q1 2019. Further details are presented in the following table:

	Three months			
Periods ended March 31,	**2020**		2019	
	$		$	
Drilling and Geophysics	**1,007,885**	**66%**	174,281	33%
Lab assay costs	**93,911**	**6%**	9,685	2%
Wages, benefits and contract labour	**399,508**	**26%**	338,589	64%
Other	**24,494**	**2%**	5,052	1%
Exploration and evaluation expenditures	**1,525,798**		527,607	

Share based compensation charges, related to options vested during the year, were $4,241 in Q1 2020 as compared to $$41,675 in Q1 2019. Wages and benefits were unchanged at $53,369 in Q1 2020 from $53,315 in Q1 2019. General & administration expenses were $90,727 in Q1 2020 as compared to $75,337 in Q1 2019. Legal and audit expenses were $8,250 in Q1 2020 unchanged from $8,250 in Q1 2019.

Other income was $21,826 in Q1 2020 as compared to $17,496 in Q1 2019 representing royalty income from a perlite operation. Interest income was $16,819 in Q1 2020 as compared to $8,066 in Q1 2019, representing interest earned on higher cash balances period over period.

CONSOLIDATED FINANCIAL POSITION

This section should be read in conjunction with the Consolidated Statements of Financial Position and Statements of Changes in Shareholders' Equity as at March 31, 2020 and the corresponding notes thereto.

Consolidated assets

Consolidated assets were $5,169,361 at March 31, 2020 as compared to $6,964,253 as at December 31, 2019. Cash in bank was $2,898,332 at March 31, 2020 as compared to $4,715,417 at December 31, 2019. Receivables were $20,400 at March 31, 2020 as compared to $44,567 as at December 31, 2019. Sales taxes recoverable were $145,777 at March 31, 2020 as compared to $96,757 at December 31, 2019. Interest receivable on short term investments was $3,488 at March 31, 2020 as compared to $7,812 as at December 31, 2019.

Exploration and evaluation assets were $2,088,363 at March 31, 2020 as compared to $2,073,444 at December 31, 2019, representing the capitalization of project acquisition costs. Exploration and evaluation expenditures are expensed to the consolidated statements of loss and comprehensive loss and deficit.

Consolidated liabilities

Consolidated liabilities at March 31, 2020 were $580,026 as compared to $2,058,715 at December 31, 2019 and was comprised of accounts payable and accrued liabilities of $580,026 at March 31, 2020 as compared to $735,419 at December 31, 2019, and $Nil in deferred premium on flow-through shares 'liability' at March 31, 2020 as compared to $1,323,296 at December 31, 2019 (see below).

Shareholders' equity

Shareholders' equity was $4,589,335 at March 31, 2020 as compared to $4,905,538 at December 31, 2019. The change is primarily due to the loss and comprehensive loss for the three months ended of March 31, 2020 of $320,444.

The common shares issued in the September 2019 combined hard dollar and flow-through equity financing of $3,000,000 were reported as a $2,218,750 increase in capital stock, and a $781,250 increase in non-cash deferred premium on flow-through shares 'liability', reflecting the premium of $0.16 in flow-through share proceeds received over the prevailing share price of $0.11 per share.

The common shares issued in the July 2019 combined hard dollar and flow-through equity financing of $3,204,546 were reported as a $2,662,500 increase in capital stock, and a $542,046 increase in non-cash deferred premium on flow-through shares 'liability', reflecting the premium of $0.15 in flow-through share proceeds received over the share price of $0.13 per share at closing.

The $781,250 and $542,046 totalling $1,323,296 in 'deferred premium on flow-through shares' liability from the July and September 2019 financings was transferred from the statement of financial position to a deferred tax credit on the statement of loss, comprehensive loss and deficit in Q1 2020.

LIQUIDITY AND CAPITAL RESOURCES

This section should be read in conjunction with the Consolidated Statements of Financial Position as at March 31, 2020 and the corresponding notes thereto.

The consolidated working capital ratio at March 31, 2020 was 5 : 1 as compared to working capital ratio of 7 : 1 at December 31, 2019, excluding the non-cash deferred premium on flow-through shares liability of $1,323,296 at December 31, 2019. At March 31, 2020, the Company held cash in bank of $2,898,332 (December 31, 2019: $4,715,417 in cash and equivalents), receivables of $20,400 (December 31, 2019: $44,567), sales taxes recoverable of $145,777 (December 31, 2019: $96,757), and short term interest receivable of $3,488 (December 31, 2019: $7,812).

Current liabilities at March 31, 2020 included accounts payable and accrued liabilities of $580,026 (December 31, 2019: $735,419) and related to operating expenses incurred during the period and payable in the normal course and other accruals. The non-cash deferred premium on flow through share liability was $Nil at March 31, 2020 as the $1,323,296 reported at December 31, 2019 was reversed to a deferred tax credit on the statement of loss and comprehensive loss and deficit in Q1 2020 upon the renunciation of flow through expenditures related to the July and September 2019 financings.

The Company manages capital, based on its cash and equivalents and ongoing working capital, with an objective of safeguarding the Company's ability to continue as a going concern, maximizing the funds invested into exploration and development activities, exploring and developing gold resources, and considering additional financings which minimize shareholder dilution. There were no changes in the Company's approach to capital management during the three months ended March 31, 2020.

The Company's capital structure reflects a company focused on mineral exploration and financing both internal and external growth opportunities. The exploration for and development of mineral deposits involves significant risk which even a combination of careful evaluation, experience and knowledge may not adequately mitigate.

The Company manages capital in proportion to risk and manages its mineral properties and capital structure based on economic conditions and prevailing gold commodity pricing and trends. The Company relies on equity financings to maintain adequate liquidity to support its ongoing exploration and development activities and ongoing working capital commitments.

Moneta has not earned significant revenues to date. As a result, the most meaningful information concerning the Company's financial position relates to its liquidity and solvency position. The Company raises funds for its operations primarily through the issuance of common shares.

The Company believes that it has sufficient working capital to meet its current obligations and currently planned operating costs and expenditures on its mineral properties. The Company intends to strategically advance its *Golden Highway Project* by way of additional exploration programs. Moneta intends to seek additional capital resources, when required, from equity financings, including flow-through, as market conditions permit. Although the Company has been successful in the past in raising funds, there can be no assurance that any funding required by the Company in the future will be available to it and, if such funding is available, that it will be offered on reasonable terms. In the event the Company is unsuccessful at raising such funds, it may not be able to continue as a going concern. Moneta has no material commitments or contractual obligations with respect to the development of any mineral properties beyond those that would be considered as part of normal business.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

TRANSACTIONS WITH RELATED PARTIES

The Company paid a salary of $50,000 in Q1 2020 (Q1 2019: $50,000) to an officer and director for CEO and Chief Geologist services provided to the Company under an ongoing employment agreement. The Company paid a salary of $50,000 in Q1 2020 (Q1 2019: $50,000) to an officer and director for President and CFO and other services provided to the Company under an ongoing employment agreement.

There were no cash director fees during the period (Q1 2019: $NIL). There were no loans to directors or officers during the period (Q1 2019: $NIL). All related party transactions were completed in the normal course of business.

DISCLOSURE CONTROLS AND PROCEDURES AND INTERNAL CONTROL OVER FINANCIAL REPORTING

Disclosure Controls and Procedures

Disclosure controls and procedures are designed to provide reasonable assurance that material information is gathered and reported to the Chief Executive Officer ("CEO") and the Chief Financial Officer ("CFO"), as appropriate, to permit timely decisions regarding public disclosure. The CEO and CFO have, as at March 31, 2020, designed Disclosure Controls and Procedures as defined in National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings* of the Canadian Securities Administrators, or caused them to be designed under their supervision, to provide reasonable assurance that material information relating to the Company, disclosed in its annual and interim filings, is reported within the respective time periods specified under securities legislation. The Company's CEO and CFO have each evaluated the design and effectiveness of the Company's disclosure controls and procedures and have concluded that they are operating effectively as at March 31, 2020.

Internal Control over Financial Reporting

The CEO and CFO are responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed by, or under the supervision of the CEO and CFO, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Based on a review of its internal control procedures at the end of the period covered by this MD&A, the CEO and CFO have concluded that the internal controls and procedures are appropriately designed and effective, in all material respects, as at March 31, 2020.

Management works to mitigate the risk of a material misstatement in financial reporting; however, a control system, no matter how well conceived or operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. The design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. Because of the inherent limitations in all control systems, including the possibility of human error and the circumvention or overriding of the controls and procedures by an individual or groups of individuals acting in collusion, they cannot provide absolute assurance that all control issues and instances of fraud, if any, have been prevented or detected. Due to inherent limitations, internal controls over financial reporting and disclosure may not prevent or detect all misstatements. Management will continue to monitor the effectiveness of its internal control over financial reporting and disclosure controls and procedures and may make modifications from time to time as considered necessary.

There were no changes to the Company's internal controls during the three months ended March 31, 2020 that have materially affected, or are likely to materially affect, the internal controls over financial reporting or disclosure controls and procedures. The CEO and CFO will continue to monitor the effectiveness of the internal controls over financial reporting and disclosure controls and procedures and will make changes to the controls as and when appropriate.

CRITICAL ACCOUNTING ESTIMATES

Moneta's significant accounting policies are summarized in note 3 to the consolidated financial statements for the year ended December 31, 2019. The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting year. Significant areas requiring the use of management estimates include, but are not limited to, the determination of carrying value of exploration and evaluation assets, the valuation of share-based compensation transactions, the valuation of purchase warrants issued on financings, deferred income tax assets and liabilities, and accrued liabilities and contingencies. Estimates and assumptions are regularly evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes may differ from these estimates.

The following are the areas involving estimates made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognized in the consolidated financial statements.

Share based payments

Management measures the fair value of granted stock options using the Black-Scholes option valuation model. The fair value of stock options using valuation models is only an estimate of their potential value and requires the use of estimates and assumptions.

Exploration and evaluation expenditures

The application of the Company's accounting policy for exploration and evaluation expenditures requires judgment in determining whether it is likely that future economic benefits are likely either from future exploitation or sale of the property, or where exploration activities are not adequately advanced to support a gold resource assessment. The determination is an estimation process that requires varying degrees of uncertainty and these estimates directly impact the deferral of exploration and evaluation expenditures.

Impairment of long-lived assets

The carrying amounts of exploration and evaluation assets are reviewed for impairment if events or changes in circumstances indicate that the carrying value may not be recoverable. If there are indicators of impairment, an exercise is undertaken to determine whether the carrying values are in excess of their recoverable amount. Such review is undertaken on a property by property basis. The assessment requires the use of estimates and assumptions such as, but not limited to, long-term commodity prices, future capital requirements, resource estimates, and exploration potential. It is possible that the actual fair value could be significantly different from those assumptions, and changes in these assumptions will affect the recoverable amount of the exploration and evaluation assets.

Decommissioning and restoration provision

The Company records the fair value of estimated costs of legal and constructive obligations required to restore operating locations in the year in which the obligation is incurred. The nature of these restoration activities includes dismantling and removing structures, rehabilitating mines and tailings dams, dismantling operating facilities, closure of plant and waste sites, and restoration, reclamation, and re-vegetation of affected areas.

The estimated fair value of a liability, and corresponding increase in the related property, is reported in the year in which it is incurred and when a reasonable estimate of fair value can be made. The fair value is the amount at which that liability could be settled in a current transaction between willing parties, that is, other than in a forced or liquidation transaction and, in the absence of observable market transactions, is determined as the present value of expected cash flows. The Company subsequently allocates the cost to expense using a systematic and rational method over its useful life, and records the accretion of the liability as a charge to the Statement of Loss, Comprehensive Loss and Deficit.

As the Company has not commenced construction and development of any mining operations, it does not have any provisions for decommissioning or restoration costs.

Contingent Liabilities

Contingent liabilities are not recognized in the financial statements unless estimable and probable and are disclosed in notes to the financial statements unless their occurrence is remote. By their nature, contingent liabilities will only be resolved when one or more future events occur or fail to occur. The assessment of contingencies inherently involves the exercise of significant judgment and estimates of the outcome of future events.

CHANGES IN ACCOUNTING POLICIES

There were changes in accounting policies during the period.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's financial risk management goals are to ensure that the outcome of activities involving elements of risk are consistent with the company's objectives and risk tolerance, while maintaining an appropriate risk/reward balance and protecting the Company's consolidated balance sheet from events that have the potential to materially impair its financial strength. Balancing risk and reward is achieved through identifying risk appropriately, aligning risk with overall exploration and development strategy, diversifying risk, mitigation through preventive controls, and transferring risk to third parties.

Fair value

The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, fair value is determined by management using available market information or other valuation methodologies.

The fair value of cash, receivables, interest receivable, and sales taxes recoverable, accounts payable and accrued liabilities, are approximate their carrying amounts due to their short term maturities.

There have been no major or significant changes that have had an impact on the overall risk assessment of the Company during the year. The objectives and strategy for the exploration and evaluation asset portfolio remains unchanged.

The Company's exploration and development activities expose it to the following financial risks:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's exposure to credit risk is concentrated in three specific areas: the credit risk on operating balances including sales taxes recoverable, royalty income and other receivables, interest receivable on short term deposits, and cash and equivalents held with Canadian financial institutions. The maximum exposure to credit risk is equal to the carrying values of these financial assets.

The aggregate gross credit risk exposure at March 31, 2020 was $3,067,997 (December 31, 2019: $4,864,553), and was comprised of $2,898,332 (December 31, 2019: $4,715,417) in cash held with Canadian financial institutions with an "AA-" credit rating, $20,400 (December 31, 2019: $44,567) in receivables, $145,777 (December 31, 2019: $96,757) in sales taxes recoverable, and $3,488 (December 31, 2019: $7,812) in interest receivable.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices, such as foreign currency exchange rates, commodity prices, interest rates and liquidity. A discussion of the Company's primary market risk exposures, and how those exposures are currently managed, follows:

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Company's financial assets and liabilities and operating costs are principally denominated in Canadian dollars. The Company has historically had insignificant operations in United States ("US") dollars. The Company has no US dollar hedging program due to its minimal exposure to financial gain or loss as a result of foreign exchange movements against the Canadian dollar.

Commodity price risk

Commodity prices, and in particular gold spot prices, fluctuate and are affected by factors outside of the Company's control. This risk is not applicable as the Company is not currently in commercial gold production. The current and expected future spot prices have a significant impact on the market sentiment for investment in mineral exploration companies and may impact the Company's ability to raise equity financing for its ongoing working capital requirements.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's interest rate risk is minimal as there are no outstanding loans or interest-bearing debts. The Company has not entered into any interest rate swaps or other active interest rate management programs at this time.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The purpose of liquidity management is to ensure that there will be sufficient cash to meet all financial commitments and working capital obligations as they become due. To manage cash flow requirements, the Company maintains principally all its assets in cash and equivalents.

The Company believes that its cash position provides adequate liquidity to meet the Company's near-term obligations subject to unforeseen circumstances included but not limited to the COVID 19 pandemic.

CONTINGENT LIABILITIES

Civil lawsuits

Two parties that own the surface rights and previously occupied and now condemned buildings, on the historic Moneta Mine site located on the Company's Kayorum project, initiated civil suits in the Ontario Superior Court of Justice in April 2005 against the Company, directors of the Company at that time, and other third parties. The suits are related to the 2004 subsidence of the main stope at the historic Moneta Mine.

In Q1 2019, one of the two civil suits was dismissed, without costs, at the request of plaintiff's counsel. The Company believes the one remaining claim has no merit and intends to defend it vigorously. Accordingly, no provision has been made in these financial statements.

OUTSTANDING SHARE DATA

As at March 31, 2020, the Company had a total of 311,535,482 (December 31, 2019: 311,535,482) common shares outstanding, 19,575,000 (December 31, 2019: 19,775,000) stock options outstanding at an average exercise price of $0.18 per share (December 31, 2019: $0.18), and 1,452,273 broker warrants exercisable at $0.16 and expiring July 2021 (December 31, 2019: 1,452,273 at $0.16). Additional details are available in note 6 to the consolidated financial statements for the three months ended March 31, 2020.

COVID-19 IMPACT

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. COVID 19 has now spread across the globe and is impacting worldwide economic activity.

The extent to which the COVID 19 may impact the Company's ability to refinance and continued exploration activities will depend on future developments including the duration of the outbreak and associated restrictions. These developments could potentially impact when drilling contractors can be mobilized and operational activities return to some degree of normalcy.

The Company introduced a number of measures in March 2020 to protect employees and contractors, their families and the Timmins community. The health and well-being of the Company's people is Moneta's top priority. Among these measures, the Company took immediate steps to cease all non-essential work including exploration drilling. The number of people working at the Company's corporate office and core farm locations in Timmins, Ontario was reduced. In addition to employee layoffs given the drop in operating activity, the Company introduced staff rotation to facilitate physical distancing, required employees and contractors to work remotely where possible, increased the reliance on technology to host online meetings, cancelled all external visits, and ceased all executive travel between Timmins and Toronto.

Remaining employees and contractors continue to process all of the drill core received from the drill program albeit at a slower pace. Mine planning and engineering studies continue in order to finalize the planned Preliminary Economic Assessment on the South West deposit.

All senior management and the operating team voluntarily agreed to reductions in pay of up to 25% in order to preserve the Company's cash and working capital position.

As of the filing date of this Management Discussion and Analysis, there were no identified indicators of impairment as a result of COVID-19 and, consequently, no adjustments have been made to the interim financial statements for the three months ended March 31, 2020.